

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

<b>(1) DEPARTMENT</b> Public Works	<b>(2) MEETING DATE</b> 5/22/2012	<b>(3) CONTACT/PHONE</b> Courtney Howard, Water Resources Engineer (805) 781-1016	
<b>(4) SUBJECT</b> Submittal of a resolution delegating joint authority to the Public Works Director and County Counsel to execute confidentiality agreements with the California Department of Water Resources.			
<b>(5) RECOMMENDED ACTION</b> It is our recommendation that your Honorable Board acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District, approve the attached resolution delegating joint authority to the Public Works Director and County Counsel to execute confidentiality agreements with the California Department Of Water Resources (DWR) and authorizing Counsel to retain outside legal counsel for the purpose of participating in informal discussions regarding State Water Contract extensions and amendments.			
<b>(6) FUNDING SOURCE(S)</b> N/A	<b>(7) CURRENT YEAR FINANCIAL IMPACT</b> N/A	<b>(8) ANNUAL FINANCIAL IMPACT</b> N/A	<b>(9) BUDGETED?</b> N/A
<b>(10) AGENDA PLACEMENT</b> <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
<b>(11) EXECUTED DOCUMENTS</b> <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A		<b>(12) BUDGET ADJUSTMENT REQUIRED?</b> BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
<b>(13) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)</b> N/A		<b>(14) W-9</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
<b>(15) LOCATION MAP</b> N/A	<b>(16) BUSINESS IMPACT STATEMENT?</b> No	<b>(17) AGENDA ITEM HISTORY</b> <input checked="" type="checkbox"/> N/A    Date _____	
<b>(18) ADMINISTRATIVE OFFICE REVIEW</b>   			
<b>(19) SUPERVISOR DISTRICT(S)</b> All Districts -			

Reference:    12MAY22-C-8

## County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works

Courtney Howard, Water Resources Engineer

VIA: Dean Benedix, Utilities Division Manager

DATE: 5/22/2012

SUBJECT: Submittal of a resolution delegating joint authority to the Public Works Director and County Counsel to execute confidentiality agreements with the California Department of Water Resources.

### **RECOMMENDATION**

It is our recommendation that your Honorable Board acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District, approve the attached resolution delegating joint authority to the Public Works Director and County Counsel to execute confidentiality agreements with the California Department Of Water Resources (DWR) and authorizing Counsel to retain outside legal counsel for the purpose of participating in informal discussions regarding State Water Contract extensions and amendments.

### **DISCUSSION**

The San Luis Obispo County Flood Control and Water Conservation District (District) has been a State Water Contractor since 1963, when it entered into a long-term water supply contract with the DWR. The District has contracts with eleven local agencies (Subcontractors) which allocate a portion of the District's State Water allocation to each (Exhibit "B"). The Public Works Department functionally administers the District's contracts.

The DWR has invited the District and all 28 of the other State Water Project (SWP) contractors to participate in informal, confidential discussions on issues pertaining to the SWP long-term water supply contracts, which have an expiration date of 2035. The subjects considered in these informal discussions will include, but not be limited to, contract extension and contract amendments about financial issues. The informal discussions are anticipated to lead to formal negotiations between DWR and the SWP contractors, which are required to be public contract negotiations pursuant to the Monterey Settlement Agreement. In order to be better informed during confidential and subsequent public contract discussions, the resolution would also authorize counsel to consult with outside legal counsel that has State Water Project contract issues experience.

Delegating joint authority to the Public Works Director and County Counsel to execute confidentiality agreements with DWR will enable the District and Counsel to enter into the discussions with DWR

and other SWP Contractor representatives in order to stay informed and prepare for responding to formal contract negotiation processes. Staff and/or Counsel will update Board members as appropriate on progress and, as discussed during the Master Water Report item before your Board on

February 14, 2012, during a focused discussion item with your Board on State Water anticipated for summer 2012. In order to be better informed during confidential and subsequent public discussions, and for the focused discussion item with your Board, the Resolution also authorizes counsel to consult with outside legal counsel that has expertise in current State Water Project contract issues.

### **OTHER AGENCY INVOLVEMENT/IMPACT**

The District, as well as twenty-eight other State Water Contractors, has been invited to participate in the informal discussions with DWR, which have already begun to take place. The Subcontractors have been informed of the informal discussions.

County Counsel has reviewed and approved the attached resolution for legal form and effect, and via approval of the Resolution, requests your Board's authorization to consult with outside legal counsel with expertise on State Water Project issues.

### **FINANCIAL CONSIDERATIONS**

Participation in the informal discussions and retention of outside legal counsel will be funded through existing State Water contract administrative and operating budgets. It is anticipated that financial considerations will be a key component of the informal discussions and formal negotiation process, and will be brought forth for your Board's consideration, as well as Subcontractors' consideration, as appropriate.

### **RESULTS**

By approving the resolution, the Public Works Director and County Counsel will be able to sign the confidentiality agreement with DWR and participate in important preliminary discussions with DWR and other SWP Contractor representatives regarding State Water Contract extensions and amendments about financial issues. Staying informed will contribute to the County-wide goal of managing our water resources to provide for livable and well-governed communities.

File: CF 950.60.02

Reference: 12MAY22-C-8

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### **ATTACHMENTS**

1. Exhibit A - State Water Subcontractors
2. Resolution Delegating Joint Authority to the Public Works Director and County Counsel to Execute Confidentiality Agreements with the California Department of Water Resources
3. Attachment A to Resolution